

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name LASALLE TOWNSHIP	County MONROE
Fiscal Year End 03/31/06	Opinion Date 06/06/06	Date Audit Report Submitted to State 8/18/2006	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

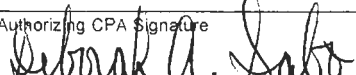
YES ☒ NO ☐

**Check each applicable box below.** (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☒ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name) COOLEY HEHL WOHLGAMUTH & CARLTON, PLLC		Telephone Number 734-241-7200		
Street Address ONE SOUTH MONROE STREET		City MONROE	State MI	Zip 48161
Authorizing CPA Signature 		Printed Name DEBORAH A. SABO		License Number 1101025211

**LASALLE TOWNSHIP**  
Monroe County, Michigan

ANNUAL FINANCIAL REPORT

March 31, 2006

# LASALLE TOWNSHIP

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**COOLEY HEHL  
WOHLGAMUTH & CARLTON**  
P. L. L. C. Certified Public Accountants

James R. Cooley, CPA  
David K. Hehl, CPA  
Robert W. Wohlgamuth, CPA  
Peter H. Carlton, CPA  
Matthew D. Hehl, CPA  
Deborah A. Sabo, CPA

One South Monroe Street • Monroe, Michigan 48161-2281  
Telephone: (734) 241-7200 • Fax: (734) 241-2637  
[www.chwcepa.com](http://www.chwcepa.com)

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American Institute of Certified Public Accountants  
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Certified Public Accountants

**Independent Auditor's Report**

Township Board  
LaSalle Township  
Monroe County, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of LaSalle Township, Monroe County, Michigan as of and for the year ended March 31, 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of LaSalle Township, Monroe County, Michigan management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of LaSalle Township, Monroe County, Michigan as of March 31, 2006, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 2 through 8 and 32 through 35, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the LaSalle Township, Monroe County, Michigan basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Cooley Hehl Wohlgamuth & Carlton*

June 6, 2006

## LASALLE TOWNSHIP

### *Management's Discussion and Analysis Year Ended March 31, 2006*

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This section of LaSalle Township's annual financial report presents our discussion and analysis of the Township's financial performance during the fiscal year ended March 31, 2006. Please read it in conjunction with the Township's financial statements, which immediately follow this section. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the Township's revenues and expenditures by program for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Project Funds.

The Governmental Accounting Standards Board (GASB) adopted this reporting model in *Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued June, 2000. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

### **Using this Annual Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand LaSalle Township financially as a whole. The ***Government-Wide Financial Statements***, which include the Statement of Net Assets and the Statement of Activities, provide information about the activities of the Township as a whole and presents both a short-term and a long-term view of those finances. The ***Fund Financial Statements*** provide the next level of detail. For governmental activities, these statements explain how services were financed in the short-term as well as what remains for future spending. The ***Fund Financial Statements*** report the Township's operations in more detail than the ***Government-Wide Financial Statements*** by providing information about the Township's most significant funds - the General Fund, the Water Lateral Receiving Special Revenue Fund, the Special Voted Fire Department Special Revenue Fund, the South County Water Debt Fund, the Lakeshore Area Sewer Debt Fund, and the Water District 2002-27A Debt Fund. The following summary illustrates how the various parts of this annual report are arranged:

*Management's Discussion and Analysis (MD&A)*  
*(Required Supplemental Information)*

#### Basic Financial Statements

*Government-Wide Financial Statements*      *Fund Financial Statements*

*Notes to the Basic Financial Statements*

*Budgetary Information for Major Funds*  
*(Required Supplemental Information)*

*Other Supplemental Information*

## LASALLE TOWNSHIP

### *Management's Discussion and Analysis* *Year Ended March 31, 2006*

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#### **Government-Wide Financial Statements**

The Statement of Net Assets and the Statement of Activities (pages 9-10), which appear first in the Township's financial statements, report information on the Township as a whole and its activities. These statements include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two government-wide statements report the Township's net assets and changes in them. The change in net assets provides the reader a tool to assist in determining whether the Township's financial health is improving or deteriorating. The relationship between revenues and expenses indicates the Township's operating results. However, the Township's goal is to provide services to our residents, not generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the services provided and the safety of the public to assess the overall health of the Township.

The Statement of Net Assets and Statement of Activities report the governmental activities for the Township, which encompass Township services, include general government services, public safety, public works, and recreation and cultural services. Property taxes, state-shared revenue, and charges for services provide most of the funding.

#### **Fund Financial Statements**

The Township's Fund Financial Statements (pages 11-17) provide detailed information about the most significant or "major" funds - not the Township as a whole. Some funds are required to be established by State law and by bond covenants. However, the Township establishes other funds to control and manage money for particular purposes or to show that it is properly using revenues. The Township's two types of funds: governmental and fiduciary. The funds use different accounting approaches as described below:

**Governmental funds** - All of the Township's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the Township and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation format in the financial section on pages 13 and 16.

**Fiduciary funds** - An Agency Fund is used to account for assets held by the Township as an agent for the collection and disbursement of property taxes.



# LASALLE TOWNSHIP

## Management's Discussion and Analysis Year Ended March 31, 2006

### Government-Wide Financial Analysis

Recall that the Statement of Net Assets provides the perspective of the Township as a whole. Table 1 provides a summary of the Township's net assets as of March 31, 2006:

**Table 1:**

#### Condensed Statement of Net Assets March 31, 2006 and 2005

	Governmental Activities	
	2006	2005
Current and other assets	\$2,641,858	\$2,514,911
Capital assets, net	<u>3,225,791</u>	<u>3,302,187</u>
<b>Total Assets</b>	<b><u>5,867,649</u></b>	<b><u>5,817,098</u></b>
Current and other liabilities	86,786	85,144
Long-term liabilities	<u>919,854</u>	<u>1,064,678</u>
<b>Total Liabilities</b>	<b><u>1,006,640</u></b>	<b><u>1,149,822</u></b>
Net Assets		
Invested in capital assets, net of related debt	2,310,791	2,242,187
Restricted for:		
Debt service	1,345,376	1,441,027
Capital projects	21,205	30,137
Public works	353,849	309,975
Fire protection	385,637	256,790
Unrestricted	<u>444,151</u>	<u>387,160</u>
<b>Total Net Assets</b>	<b><u>\$4,861,009</u></b>	<b><u>\$4,667,276</u></b>

As depicted in Table 1, the Township's net assets were \$4.8 million at March 31, 2006. Of this amount, a positive \$444,151 was unrestricted. This amount represents the *accumulated* results of all past years' operations. The unrestricted net asset balance is used for working capital and cash flow needs as well as to provide for future uncertainties. It means that if we had to pay off all of our bills *today*, including all of our noncapital liabilities we could with our current resources. The operating results of the General Fund will have a significant impact on the change in unrestricted net assets from year to year.

## LASALLE TOWNSHIP

### *Management's Discussion and Analysis* *Year Ended March 31, 2006*

#### **Government-Wide Financial Analysis - Concluded**

The results of this year's operations for the Township as a whole are reported in the Statement of Activities (Table 2), which shows the changes in net assets for the fiscal year ended March 31, 2006.

**Table 2:**

#### **Changes in Net Assets** **Years Ended March 31, 2006 and 2005**

	<u>Governmental Activities</u>	
	<u>2006</u>	<u>2005</u>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$204,576	\$ 221,282
Operating grants and contributions	34,116	31,493
Capital grants and contributions	<u>43,225</u>	<u>150,649</u>
	281,917	403,424
General revenues:		
Property taxes	245,947	229,818
State grants	346,300	352,204
Interest	79,866	55,771
Other	<u>44,782</u>	<u>35,597</u>
	<u>716,895</u>	<u>673,390</u>
Total Revenues	998,812	1,076,814
<b>Functions/Program Expenses</b>		
Legislative	25,836	25,502
General government	318,551	321,825
Public safety	195,840	184,286
Public works	208,445	199,126
Recreation and cultural	1,738	1,600
Interest on long-term debt	<u>54,669</u>	<u>63,323</u>
Total Expenses	<u>805,079</u>	<u>795,662</u>
<b>Increase (Decrease) in Net Assets</b>	<u>\$193,733</u>	<u>\$ 281,152</u>

As indicated in Table 2, the cost of *all governmental* activities this year was \$805,079. Of this amount, \$281,917 was subsidized with revenue generated from charges for services, grants, and contributions with the remaining costs financed with general revenues which consisted mainly of property taxes and state shared revenues. The Township's governmental activities experienced an increase in net assets of \$193,733. The increase in net assets differs from the change in fund balance. A reconciliation of the change in fund balances of the governmental funds to the change in net assets appears on page 16.

## LASALLE TOWNSHIP

### *Management's Discussion and Analysis* *Year Ended March 31, 2006*

#### **Fund Financial Analysis**

As noted earlier, the Township uses funds to help control and manage money for particular purposes. Looking at funds helps the reader consider whether LaSalle Township is being held accountable for the resources taxpayers and others provide to it and may give more insight into the Township's overall financial health.

As the Township completed this year, the governmental funds reported a combined fund balance of \$2,258,111 which is an increase of \$210,023 from last year. The changes by major and nonmajor funds are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<b>Fund balances -</b>					
<b>Beginning of Year</b>	\$391,838	\$473,580	\$764,962	\$417,708	\$2,048,088
Increase (decrease)	<u>57,167</u>	<u>153,991</u>	<u>26,561</u>	<u>(27,696)</u>	<u>210,023</u>
<b>Fund balances -</b>					
<b>End of year</b>	<u>\$449,005</u>	<u>\$627,571</u>	<u>\$791,523</u>	<u>\$390,012</u>	<u>\$2,258,111</u>

The Township's General Fund balance increase is illustrated in the tables that follow.

	<u>March 31, 2006</u>	<u>March 31, 2005</u>	<u>Percent Change</u>
<b>Revenues</b>			
Property taxes and assessments	\$124,162	\$119,039	4.30 %
Licenses and permits	65,474	77,780	(15.82)%
State grants	346,300	352,204	(1.68)%
Contributions from local units	-	100,786	(100.00)%
Charges for services	15,605	15,375	1.50 %
Interest and penalties	10,590	2,732	287.63 %
Other revenue	<u>24,870</u>	<u>19,815</u>	<u>25.51 %</u>
<b>Total Revenues</b>	<u>\$587,001</u>	<u>\$687,731</u>	<u>(14.65)%</u>

Contributions from local units in 2005 represents donated fire equipment of \$100,786.

## LASALLE TOWNSHIP

### *Management's Discussion and Analysis Year Ended March 31, 2006*

#### **Fund Financial Analysis – Concluded**

	<b>March 31, 2006</b>	<b>March 31, 2005</b>	<b>Percent Change</b>
<b>Expenditures</b>			
Legislative	\$ 25,836	\$ 25,502	1.31 %
General government	239,961	234,864	2.17 %
Public safety	108,763	213,958	(49.17)%
Public works	68,643	61,274	12.03 %
Recreation and culture	1,738	1,600	0.86 %
Other	79,606	90,915	(12.44)%
<b>Total Expenditures</b>	<b>\$524,547</b>	<b>\$628,113</b>	<b>(16.49)%</b>

Public safety expenditures of \$213,958 in 2005 included a capital outlay expenditure for \$100,786 of donated fire equipment. Other expenditures decreased due to the insurance expenditure decreasing from \$39,272 in 2005 to \$22,739 in 2006.

#### **General Fund Budgetary Highlights**

The Uniform Budget Act of the State of Michigan requires the Township Board to adopt the original budget for the upcoming fiscal year prior to April 1, the start of the fiscal year. Over the course of the year, the Township revises its budget as it attempts to deal with the unexpected changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. A schedule illustrating the Township's original and final budget amounts compared with amounts actually paid and received is provided in the required supplemental information of these financial statements.

The revisions made to the original budget and the final amended budgets were relatively minor. The original budget for revenues was \$568,780, which was amended by \$3,180 for other revenue. The original budget for expenditures was \$568,780, which was amended to \$592,410. The increase was due mainly to amend drain expenditures by \$20,450.

#### **Capital Assets and Debt Administration**

##### **Capital Assets**

At March 31, 2006, the Township had \$4,862,264 invested in a broad range of capital assets, including land, building and building improvements, equipment, fire equipment, vehicles, and sewer and water lines. This amount represents a net increase (including additions and disposals) of \$37,799 from last year. This year's additions included fire equipment, fire station improvements, and township building improvements. Depreciation for this year totaled \$114,195. Detailed information regarding capital assets is included in Note 6 to the financial statements.

## **LASALLE TOWNSHIP**

### *Management's Discussion and Analysis Year Ended March 31, 2006*

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#### **Capital Assets and Debt Administration (Concluded)**

##### **Debt**

At March 31, 2006, the Township had \$915,000 in bonds and contract payable. The bonds payable is comprised of \$315,000 in special assessment water district bonds. The contract payable of \$600,000 is for the sewer disposal system. The Township has an accrued liability for unused vacation days of \$4,854 at March 31, 2006. Detailed information regarding the Township's debt is included in Note 7 to the financial statements.

#### **Development of the 2007 Fiscal Year Budget**

The budget for the 2007 fiscal year is consistent with the prior year. Revenues for 2007 are budgeted for \$578,300 as compared to \$571,960 for 2006. The following are some of the changes for 2007: property taxes increased by \$6,870; state shared revenue decreased by \$2,000; license and permits decreased by \$4,000; interest revenue increased by \$3,000; and hearing fees increased by \$4,000.

Expenditures for 2007 are budgeted for \$638,300 as compared to \$592,410 for 2006. The net increase of \$45,890 is in two major areas: an increase in highways and streets of \$60,020 and a decrease in drains of approximately \$16,000.

#### **Contacting LaSalle Township**

This financial report is designed to provide the Township's citizens, taxpayers, customers, investors and creditors with a general overview of the Township's finances and to demonstrate their accountability for the money it receives. If you have questions about this report or need additional information, contact LaSalle Township, 4111 LaPlaisance Road, P.O. Box 46, LaSalle, MI 48145.

**LASALLE TOWNSHIP***Statement of Net Assets*  
*March 31, 2006*

	Governmental Activities
<b>Assets</b>	
Cash and cash equivalents	\$1,710,895
Cash with fiscal agent	138,533
Receivables:	
Accounts and accrued interest	33,827
Special assessment	367,540
Delinquent taxes	39,391
Prepaid insurance	10,538
Due from other governmental units	341,134
Depreciable capital assets, net	3,225,791
<b>Total Assets</b>	<b>5,867,649</b>
<b>Liabilities</b>	
Accounts payable	12,178
Accrued interest payable	18,608
Other liabilities	56,000
Long-term liabilities:	
Due within one year	164,854
Due in more than one year	755,000
<b>Total Liabilities</b>	<b>1,006,640</b>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	2,310,791
Restricted for:	
Debt service	1,345,376
Capital projects	21,205
Public works	353,849
Fire protection	385,637
Unrestricted	444,151
<b>Total Net Assets</b>	<b>\$4,861,009</b>

See accompanying notes to the basic financial statements.

# LASALLE TOWNSHIP

## *Statement of Activities* *Year Ended March 31, 2006*

Functions/Programs	Expenses	Program Revenues		Governmental Activities	Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Legislative	\$25,836	\$0	\$0	\$0	(\$25,836)
General government	318,551	15,605	0	0	(302,946)
Public safety	195,840	41,251	2,606	43,225	(108,758)
Public works	208,445	147,720	31,510	0	(29,215)
Recreation and culture	1,738	0	0	0	(1,738)
Interest on long-term debt	54,669	0	0	0	(54,669)
Total Governmental Activities	<u>\$805,079</u>	<u>\$204,576</u>	<u>\$34,116</u>	<u>\$43,225</u>	(523,162)
General Revenues:					
Property taxes					245,947
State grants					346,300
Interest					79,866
Other					<u>44,782</u>
Total General Revenues					<u>716,895</u>
Change in Net Assets					<u>193,733</u>
Net Assets - Beginning of year, as restated					<u>4,667,276</u>
Net Assets - End of year					<u>\$4,861,009</u>

See accompanying notes to the basic financial statements.

# LASALLE TOWNSHIP

## *Governmental Funds Balance Sheet March 31, 2006*

	Special Revenue Funds		
	General	Water Lateral Receiving	Special Voted Fire Department
<b>Assets</b>			
Cash and cash equivalents	\$308,331	\$193,491	\$263,384
Cash with fiscal agent	0	0	0
Receivables:			
Accounts and accrued interest	0	3,762	0
Special assessments	0	76,157	0
Delinquent taxes	8,884	594	8,707
Prepaid insurance	10,538	0	0
Due from other funds	11,572	30,468	0
Due from other governmental units	175,208	2,541	116,196
<b>Total Assets</b>	<b>\$514,533</b>	<b>\$307,013</b>	<b>\$388,287</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$9,528	\$0	\$2,650
Due to other funds	0	0	0
Deferred revenue	0	65,079	0
Performance bonds	56,000	0	0
<b>Total Liabilities</b>	<b>65,528</b>	<b>65,079</b>	<b>2,650</b>
<b>Fund Balances</b>			
Reserved for debt service	0	0	0
Unreserved:			
Undesignated, reported in:			
General Fund	449,005	0	0
Special Revenue Funds	0	241,934	385,637
Capital Project Funds	0	0	0
<b>Total Fund Balances</b>	<b>449,005</b>	<b>241,934</b>	<b>385,637</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$514,533</b>	<b>\$307,013</b>	<b>\$388,287</b>

See accompanying notes to the basic financial statements.



Debt Service Funds				
South County Water	Lakeshore Area Sewer	Water District 2002-27A	Other Nonmajor Governmental Funds	Total Governmental Funds
\$357,682	\$233,913	\$70,608	\$283,486	\$1,710,895
0	78,694	0	59,839	138,533
0	10,191	0	19,874	33,827
0	135,108	101,820	54,455	367,540
0	7,855	0	13,351	39,391
0	0	0	0	10,538
0	0	0	0	42,040
0	10,288	3,203	33,698	341,134
<u>\$357,682</u>	<u>\$476,049</u>	<u>\$175,631</u>	<u>\$464,703</u>	<u>\$2,683,898</u>
30	\$0	\$0	\$0	\$12,178
0	0	0	42,040	42,040
0	125,019	92,820	32,651	315,569
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>56,000</u>
0	125,019	92,820	74,691	425,787
357,682	351,030	82,811	264,126	1,055,649
0	0	0	0	449,005
0	0	0	104,681	732,252
0	0	0	21,205	21,205
<u>357,682</u>	<u>351,030</u>	<u>82,811</u>	<u>390,012</u>	<u>2,258,111</u>
<u>\$357,682</u>	<u>\$476,049</u>	<u>\$175,631</u>	<u>\$464,703</u>	<u>\$2,683,898</u>

**LASALLE TOWNSHIP**

*Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets*  
*March 31, 2006*

<b>Total Fund Balances - Governmental Funds</b>		<b>\$2,258,111</b>
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the funds:		
Cost of the capital assets	\$4,862,264	
Accumulated depreciation	(1,636,473)	
		3,225,791
Other long-term assets are not available to pay for current-period expenditures and therefore are offset by deferred revenue in the funds.		315,569
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:		
Loan payable	(919,854)	
Accrued interest	(18,608)	
		(938,462)
<b>Total Net Assets - Governmental Activities</b>		<b>\$4,861,009</b>

See accompanying notes to the basic financial statements.

**LASALLE TOWNSHIP**

*Governmental Funds  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended March 31, 2006*

		Special Revenue Funds	
	General	Water Lateral Receiving	Special Voted Fire Department
<b>Revenues</b>			
Property taxes and special assessments	\$124,162	\$29,416	\$121,785
Federal grants	0	0	43,225
Licenses and permits	65,474	0	0
State grants	346,300	0	0
Charges for services	15,605	0	0
Interest	10,590	9,028	6,136
Other revenue	24,870	700	0
<b>Total Revenues</b>	<b>587,001</b>	<b>39,144</b>	<b>171,146</b>
<b>Expenditures</b>			
Legislative	25,836	0	0
General government	239,961	0	0
Public safety	108,763	0	42,299
Public works	68,643	0	0
Recreation and culture	1,738	0	0
Other	79,606	0	0
Debt service	0	0	0
Capital projects	0	0	0
<b>Total Expenditures</b>	<b>524,547</b>	<b>0</b>	<b>42,299</b>
Excess (Deficiency) of Revenue Over Expenditures	62,454	39,144	128,847
<b>Other Financing Sources (Uses)</b>			
Operating transfers in	0	0	0
Operating transfers out	(5,287)	(14,000)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(5,287)</b>	<b>(14,000)</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>57,167</b>	<b>25,144</b>	<b>128,847</b>
Fund Balances - Beginning of year	391,838	216,790	256,790
Fund Balances - End of year	<b>\$449,005</b>	<b>\$241,934</b>	<b>\$385,637</b>

See accompanying notes to the basic financial statements.

Debt Service Funds				
South County Water	Lakeshore Area Sewer	Water District 2002-27A	Other Nonmajor Governmental Funds	Total Governmental Funds
\$0	\$27,135	\$14,500	\$59,165	\$376,163
0	0	0	0	43,225
0	0	0	0	65,474
0	0	0	2,606	348,906
0	0	0	86,658	102,263
12,303	21,242	8,187	12,380	79,866
0	44,440	0	0	70,010
12,303	92,817	22,687	160,809	1,085,907
0	0	0	0	25,836
0	0	0	0	239,961
0	0	0	19,465	170,527
0	0	0	80,102	148,745
0	0	0	0	1,738
0	0	0	0	79,606
0	86,756	16,455	98,835	202,046
0	0	0	7,425	7,425
0	86,756	16,455	205,827	875,884
12,303	6,061	6,232	(45,018)	210,023
0	0	1,965	19,287	21,252
0	0	0	(1,965)	(21,252)
0	0	1,965	17,322	0
12,303	6,061	8,197	(27,696)	210,023
345,379	344,969	74,614	417,708	2,048,088
<b>\$357,682</b>	<b>\$351,030</b>	<b>\$82,811</b>	<b>\$390,012</b>	<b>\$2,258,111</b>

**LASALLE TOWNSHIP**

*Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities  
Year Ended March 31, 2006*

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<b>Net Change in Fund Balances - Total Governmental Funds</b>		<b>\$210,023</b>
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures;		
in the statement of activities, these costs are allocated over their		
estimated useful lives as depreciation expense.		
Depreciation expense	(\$114,195)	
Capital outlay	<u>37,799</u>	
		(76,396)
Accrued interest is recorded in the statement of activities when incurred:		
it is not reported in governmental funds until paid.		2,377
Revenues in the statement of activities that do not provide current financial		
resources are not reported as revenue in the funds.		
		(87,095)
Repayments of bond principal is an expenditure in the governmental funds,		
but not in the statement of activities (where it reduces long-term debt).		
		145,000
Increases in the liability for compensated absences are reported as an		
expenditure in the statement of activities, but not in the governmental funds		
		<u>(176)</u>
<b>Change in Net Assets of Governmental Activities</b>		<u><b>\$193,733</b></u>

See accompanying notes to the basic financial statements.

**LASALLE TOWNSHIP**

*Agency Funds*

*Statement of Fiduciary Net Assets*

*March 31, 2006*

	<u>Tax Collection</u>	<u>Water Tap Fee</u>	<u>Water Bill</u>	<u>Totals</u>
<b>Assets</b>				
Cash	<u>\$276,699</u>	<u>\$9,140</u>	<u>\$23</u>	<u>\$285,862</u>
<b>Liabilities</b>				
Due to other funds	\$274,430	\$0	\$0	\$274,430
Due to other governments	0	9,140	23	9,163
Due to others	<u>2,269</u>	<u>0</u>	<u>0</u>	<u>2,269</u>
Total Liabilities	<u>\$276,699</u>	<u>\$9,140</u>	<u>\$23</u>	<u>\$285,862</u>

See accompanying notes to the basic financial statements.

## LASALLE TOWNSHIP

### *Notes to Financial Statements Year Ended March 31, 2006*

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#### Note 1 Description of the Township and Reporting Entity

The Township operates under a locally elected five member Board form of government and provides the following services: public safety (fire), public improvements, planning and zoning, and general administrative services.

#### Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements are not misleading. The primary government of the Township consists of all funds, departments, boards, and agencies that are not legally separate from the Township.

Component units are legally separate organizations for which the Township is financially accountable. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt, or the levying of taxes. The Township has no component units.

The following entity is a joint venture which is not included in the governmental fund financial statements.

South County Water System - This is a joint venture between the County of Monroe, LaSalle Township, Bedford Township, Erie Township, and the City of Luna Pier to renovate and improve the South County Water System.

#### Note 2 Summary of Significant Accounting Policies

The financial statements of LaSalle Township have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Council (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following are the more significant of the Township's accounting policies.

#### Basis of Presentation

##### A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. As a general rule, the effect of interfund activity has been eliminated from the government-wide statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues are reported separately from business-type activities which rely, to a significant extent on fees and charges for support. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Amounts reported as program revenue include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. General revenue includes taxes, intergovernmental payments, sales of property, and other items not properly included among program revenues.

Separate financial statements are provided for governmental funds and agency funds, even though the latter are excluded from the government-wide financial statements. Individual major governmental funds are reported as separate columns in the fund financial statements.

## LASALLE TOWNSHIP

### *Notes to Financial Statements* *Year Ended March 31, 2006*

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#### Note 2

#### Summary of Significant Accounting Policies

##### Basis of Presentation (Continued)

##### B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Governmental fund expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

On the governmental funds statements, property taxes, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the Township.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Agency fund statements also are reported using the economic resources measurement focus and the cash basis of accounting.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. The General Fund accounts for all financial resources of the Township, except those required to be accounted for in another fund.

The Special Revenue Fund - Water Lateral Receiving Fund accounts for the collection of debt service charges for each water tap-in. These moneys are available for operation and maintenance, expansion and replacement of the laterals and for debt service.

The Special Revenue Fund - Special Voted Fire Department Fund accounts for proceeds from a tax millage to be used for the purchase of, construction of, and/or repair of fire department building and equipment.

The Debt Fund - South County Water Fund accumulates interest on tax revenue that was collected for the South County Water System to retire bonds.



## LASALLE TOWNSHIP

### *Notes to Financial Statements Year Ended March 31, 2006*

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#### Note 2      Summary of Significant Accounting Policies (Continued)

##### Basis of Presentation (Continued)

##### B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Concluded)

The Debt Fund - Lakeshore Area Sewer Fund accounts for the collection of the Lakeshore Area Sewer Special Assessment No. 1990-A, used to defray part of the Township's obligation to the County of Monroe to cover the remaining cost of the \$845,000 refunding bond issue.

The Debt Fund - Water District 2002-27A Fund accounts for the collection of Water District Special Assessments No. 2002-27A, used to pay the cost of a \$150,000 bond issue.

The Township reports the following nonmajor governmental funds:

The Special Revenue Funds - Liquor Law Enforcement, Lighting, Foster Lane, Belleterre District No. 1, Allenhurst Road, Lakeshore Area Sewer Receiving, North Shore Drain O&M, and North Shore Snow. The Debt Service Funds - Water District 1991-A, Water District 1991-B, Water District 1995-13B, Water District 1995-16A & 17A, and Water District 1997-21A. The Capital Projects Funds - Building and Improvement and Water District 2002-27A.

##### C. Assets, Liabilities, and Net Assets or Equity

Deposits and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Property Tax Receivable - Property taxes are assessed as of December 31 and the related property taxes become a lien on July 1 and December 1 of the following year. Summer taxes are considered delinquent July 31, and winter taxes are considered delinquent February 15 of the following year.

Prepaid Assets - Payments made to vendors for services that will benefit periods beyond March 31, 2006, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Capital Assets - General capital assets are those assets related to the general activities and expenditures reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported on the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated fixed assets are recorded at their fair market values as of the date received. The Township maintains a capitalization threshold of one thousand dollars and an estimated useful life in excess of one year. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. The Township has elected not to retroactively report infrastructure assets except those related to outstanding bond issues as of March 31, 2004.

## LASALLE TOWNSHIP

### *Notes to Financial Statements Year Ended March 31, 2006*

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#### Note 2      Summary of Significant Accounting Policies (Continued)

##### Basis of Presentation (Continued)

##### C. Assets, Liabilities, and Net Assets or Equity (Continued)

All reported capital assets, other than land, are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and buildings improvements	10-50 years
Machinery and equipment	3-10 years
Vehicles	5-25 years
Water lines	50 years
Sewer lines	50 years

Interfund Balances - On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due to/from other funds." These amounts are eliminated in the governmental activities column of the statement of net assets.

Accrued Liabilities and Long-Term Obligations -All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Payments of long-term loans that are paid from governmental funds are recognized as an expenditure on the governmental fund financial statements when due.

Net Assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments.

Interfund Transactions - Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

Fund Balance Reserves and Designations - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

## LASALLE TOWNSHIP

### *Notes to Financial Statements Year Ended March 31, 2006*

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Note 2      Summary of Significant Accounting Policies (Concluded)  
Basis of Presentation (Concluded)

C. Assets, Liabilities, and Net Assets or Equity (Concluded)

Compensated Absences - Township employees are granted vacation days under formulas and conditions in the personnel policy manual. All earned vacation must be taken within the calendar year. There is no provision for carryover of vacation. The Township does not provide for sick pay for employees.

D. Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported on the financial statements and accompanying notes. Actual results may differ from those estimates.

E. Extraordinary and Special Items - Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Township and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2006.

F. Budgetary Policies - The budgetary process is prescribed by provisions of the State of Michigan Budget Act and entails the preparation of budgetary documents within an established timetable. The General Fund and all Special Revenue Funds are legally required to be budgeted and appropriated. The legal level of budgetary control has been established by the Township Board at the function level. Any budgetary modifications may only be made by resolution of the Township Board.

The fiscal officer submits to the Township Board a proposed operating budget for the fiscal year commencing the following April.

1. The operating budget includes proposed expenditures and the means of financing them. Unexpended appropriations lapse at year end.
  2. A public hearing is conducted to obtain taxpayer comments.
  3. The budget is legally enacted through a Board motion.
  4. Any revisions to the budget must be approved by the Township Board.
  5. Budgeted amounts are as originally adopted, or as amended by the Township Board.
  6. Budgets are adopted on a basis consistent with generally accepted accounting principles.
  7. Lapsing of Appropriations - At the close of each year all unspent appropriations revert to the respective funds from which they were appropriated and become subject to future appropriations.
- G. Restatements - Beginning net assets of governmental activities were increased by \$402,664 to properly reflect the effect of the long-term receivable from the water district special assessments.

## LASALLE TOWNSHIP

### *Notes to Financial Statements Year Ended March 31, 2006*

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#### Note 3      Stewardship, Accountability and Compliance

The Township shall not incur expenditures in excess of the amount appropriated. Annual budgets are adopted on a basis that is consistent with generally accepted accounting principles and State Law for the General and Special Revenue Funds.

In the required supplemental information, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis, which is the adopted legal level of control.

For the year ended March 31, 2006, expenditures exceeded final budgeted amounts in the following funds:

	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Special Voted Fire Department	\$35,746	\$42,299	\$(6,553)
Lakeshore Area Sewer	86,075	86,756	(681)
Water District 2002-27A Debt	16,230	16,455	(225)
Liquor Law Enforcement	2,590	2,606	(16)
Lighting Fund	16,782	16,859	(77)
Allenhurst Road	123	124	(1)
Water District 1991-A	22,100	22,500	(400)
Water District 1991-B	5,853	6,253	(400)
Water District 1995-16A & 17A	56,462	56,862	(400)
Water District 1997-21A	12,970	13,220	(250)

#### Note 4      Deposits

Statutes authorize the Township to invest in obligations of the U.S. Treasury, agencies, and instrumentalities; commercial paper within the three highest rate classifications by at least two rating services; bankers' acceptances of U.S. banks, U.S. or agency repurchase agreements; savings accounts and certificates of deposit with banks and savings and loan associations, or credit unions which are insured with the applicable federal agency. Public funds of the Township may not be deposited in financial institutions located in states other than Michigan.

Public Act 367 of 1982 (known as the Surplus Funds Investment Pool Act) enables municipalities to invest surplus operating funds in investment pools managed by qualified financial institutions. At March 31, 2006, the Township had invested in such a fund with a local bank. The Township is able to retrieve these funds without restriction and, accordingly, this amount is considered to be available cash. The local bank invests these funds in a variety of instruments including bonds and direct obligations of the United States, certificates of deposit, commercial paper rated within the three highest classifications by not less than two standard rating services, United States government or federal agency obligation repurchase agreements and bankers acceptances of the United States banks.

The Township believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, and since State of Michigan legislation does not require that all deposits be collateralized, it is impractical to insure all bank deposits. As a result, the Township evaluates each financial institution with which it deposits Township funds and assesses the level of risk at each institution; only those institutions with an acceptable estimated risk level are used as depositories.

## LASALLE TOWNSHIP

### Notes to Financial Statements Year Ended March 31, 2006

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#### Note 4      Deposits (Concluded)

The Board has adopted an investment policy authorizing certain types of investments and authorized two depositories: Monroe Bank and Trust and National City Bank.

*Interest rate risk.* The Township's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit risk.* The Township will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments to the types of securities listed in the Township's investment policy.

*Concentration of credit risk.* The Township does not place any limits on the amount the Township may deposit or invest in any one issuer.

*Custodial credit risk.* Custodial credit risk for deposits is the risk that in the event of a bank failure, the Township's deposits may not be returned or the Township will not be able to recover the collateral securities in the possession of an outside party. The Township has \$2,120,941 invested in certificates of deposit, checking accounts, and money markets. The Township's deposits are insured by the FDIC in the amount of \$200,000, with uninsured deposits of \$1,920,941. The Township's deposits are at institutions with an established record of fiscal health and service. The Township Board approves and designates a list of authorized depository institutions. The Township's investment policy does not address deposit risk.

*Foreign currency risk.* The Township is not authorized to invest in investments which have this type of risk.

#### Note 5      Interfund Receivable and Payable Balances

Interfund balances at March 31, 2006 consisted of the following individual fund receivables and payables:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund:		
Special Revenue Funds:		
Lighting Fund	\$11,572	
Special Revenue Funds:		
Lighting Fund:		
General Fund		\$11,572
Water Lateral Receiving Fund:		
Special Revenue Fund:		
Lakeshore Area Sewer Receiving Fund	30,468	
Lakeshore Area Sewer Receiving Fund:		
Special Revenue Fund:		
Water Lateral Receiving Fund		<u>30,468</u>
	<u>\$42,040</u>	<u>\$42,040</u>

# LASALLE TOWNSHIP

## *Notes to Financial Statements* *Year Ended March 31, 2006*

### Note 6   Capital Assets

Capital asset activity for the fiscal year ended March 31, 2006, was as follows:

	Balance <u>April 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>March 31, 2006</u>
Governmental Activities				
Assets not being depreciated				
Land	\$ 58,000	\$ -	\$ -	\$ 58,000
Capital assets being depreciated:				
Buildings and building improvements	1,195,813	13,347	-	1,209,160
Machinery and equipment	257,836	20,452	-	278,288
Vehicles	327,816	4,000	-	331,816
Water lines	1,455,000	-	-	1,455,000
Sewer lines	<u>1,530,000</u>	<u>-</u>	<u>-</u>	<u>1,530,000</u>
	<u>4,766,465</u>	<u>37,799</u>	<u>-</u>	<u>4,804,264</u>
 Total capital assets	 4,824,465	 37,799	 -	 4,862,264
Less accumulated depreciation:				
Buildings and building improvements	(260,582)	(25,619)	-	(286,201)
Machinery and equipment	(117,920)	(22,805)	-	(140,725)
Vehicles	(284,972)	(6,071)	-	(291,043)
Water lines	(325,854)	(29,100)	-	(354,954)
Sewer lines	<u>(532,950)</u>	<u>(30,600)</u>	<u>-</u>	<u>(563,550)</u>
 Total accumulated depreciation	 <u>(1,522,278)</u>	 <u>(114,195)</u>	 <u>-</u>	 <u>(1,636,473)</u>
 Net capital assets	 <u>\$3,302,187</u>	 <u>\$ (76,396)</u>	 <u>\$ -</u>	 <u>\$3,225,791</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 5,527
Public safety	48,968
Public works	<u>59,700</u>
 Total governmental activities	 <u>\$114,195</u>

# LASALLE TOWNSHIP

*Notes to Financial Statements  
Year Ended March 31, 2006*

Note 7    Long-Term Debt

The following is a summary of long-term debt outstanding as of March 31, 2006:

	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Maturity Dates</u>	<u>Original Amount of Issue</u>	<u>Balance Outstanding</u>
Special assessment debt:					
Water District 1991-A	6.400%-				
Special Assessment Bonds	8.000%	08/01/91	04/01/2007	\$285,000	\$ 20,000
Water District 1991-B	6.000%-				
Special Assessment Bonds	8.000%	02/18/92	04/01/2008	85,000	10,000
Water District 1995-16A & 17A	4.300%-				
Special Assessment Bonds	5.250%	09/01/95	09/01/2008	540,000	100,000
Water District 1997-21A					
Special Assessment Bonds	4.950%	02/01/98	09/01/2010	150,000	55,000
Water District 2002-27A					
Special Assessment Bonds	4.450%	03/25/03	11/01/2018	150,000	<u>130,000</u>
					315,000
Contracts payable:					
LaSalle Sewer Disposal:					
System No.1 Refunding	3.850%-				
Bonds	6.000%	09/15/95	05/01/2016	845,000	<u>600,000</u>
					<u>\$915,000</u>

Following is a summary of changes in long-term debt as of March 31, 2006:

	<u>Balance 3/31/05</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance 3/31/06</u>	<u>Due In One Year</u>
Special Assessment Debt:					
Water District 1991-A	\$ 40,000	\$ -	\$ 20,000	\$ 20,000	\$ 20,000
Water District 1991-B	15,000	-	5,000	10,000	5,000
Water District 1995- 16A & 17A	150,000	-	50,000	100,000	50,000
Water District 1997-21A	65,000	-	10,000	55,000	15,000
Water District 2002-27A	<u>140,000</u>	<u>-</u>	<u>10,000</u>	<u>130,000</u>	<u>10,000</u>
	410,000	-	95,000	315,000	100,000
Contracts Payable:					
LaSalle Sewer Disposal					
System No.1 Refunding					
Bonds	650,000	-	50,000	600,000	60,000
Compensated Absences					
Payable	<u>4,678</u>	<u>176</u>	<u>-</u>	<u>4,854</u>	<u>4,854</u>
	<u>654,678</u>	<u>176</u>	<u>50,000</u>	<u>604,854</u>	<u>64,854</u>
Totals	<u>\$1,064,678</u>	<u>\$ 176</u>	<u>\$145,000</u>	<u>\$919,854</u>	<u>\$164,854</u>

# LASALLE TOWNSHIP

## *Notes to Financial Statements Year Ended March 31, 2006*

Note 7    Long-Term Debt (Continued)

Following are repayment schedules of the March 31, 2006 balances:

Water District 1991-A - Special Assessment Bonds - \$285,000 bond issue dated August 1, 1991:

<u>Fiscal Year</u>	<u>Interest Due</u>		<u>Principal</u>	<u>Total Requirements</u>
	<u>April 1</u>	<u>October 1</u>	<u>Due April 1</u>	
2007	<u>\$700</u>	<u>\$ -</u>	<u>\$20,000</u>	<u>\$20,700</u>

- Notes: 1. The above schedule does not include paying agent fees.  
2. Interest: 6.40% to 8.00%  
3. Paying agent: LaSalle Bank

Water District 1991-B - Special Assessment Bonds - \$85,000 bond issue dated February 18, 1992:

<u>Fiscal Year</u>	<u>Interest Due</u>		<u>Principal</u>	<u>Total Requirements</u>
	<u>April 1</u>	<u>October 1</u>	<u>Due April 1</u>	
2007	\$343	\$172	\$ 5,000	\$ 5,515
2008	<u>172</u>	<u>-</u>	<u>5,000</u>	<u>5,172</u>
	<u>\$515</u>	<u>\$172</u>	<u>\$10,000</u>	<u>\$10,687</u>

- Notes: 1. The above schedule does not include paying agent fees.  
2. Interest: 6.00% to 8.00%  
3. Paying agent: LaSalle Bank

Water District 1995-16A & 17A - Special Assessment Bonds - \$540,000 bond issue dated September 1, 1995:

<u>Fiscal Year</u>	<u>Interest Due</u>		<u>Principal Due</u>	<u>Total Requirements</u>
	<u>September 1</u>	<u>March 1</u>	<u>September 1</u>	
2007	\$2,600	\$1,312	\$ 50,000	\$ 53,912
2008	<u>1,312</u>	<u>-</u>	<u>50,000</u>	<u>51,312</u>
	<u>\$3,912</u>	<u>\$1,312</u>	<u>\$100,000</u>	<u>\$105,224</u>

- Notes: 1. The schedule does not include paying agent fees.  
2. Interest: 4.30% to 5.25%  
3. Paying agent: LaSalle Bank



# LASALLE TOWNSHIP

## *Notes to Financial Statements* *Year Ended March 31, 2006*

**Note 7**    Long-Term Debt (Continued)

Water District 1997-21A - Special Assessment Bonds - \$150,000 bond issue dated February 1, 1998:

<u>Fiscal Year</u>	<u>Interest Due</u>		<u>Principal Due</u>	<u>Total</u>
	<u>September 1</u>	<u>March 1</u>	<u>September 1</u>	<u>Requirements</u>
2007	\$1,361	\$ 990	\$15,000	\$17,351
2008	990	619	15,000	16,609
2009	619	371	10,000	10,990
2010	<u>371</u>	<u>-</u>	<u>15,000</u>	<u>15,371</u>
	<u>\$3,341</u>	<u>\$1,980</u>	<u>\$55,000</u>	<u>\$60,321</u>

- Notes: 1. The above schedule does not include paying agent fees.  
2. Interest: 4.95%  
3. Paying agent: Monroe Bank & Trust

Water District 2002-27A - Special Assessment Bonds - \$150,000 bond issue dated March 25, 2003:

<u>Fiscal Year</u>	<u>Interest Due</u>		<u>Principal Due</u>	<u>Total</u>
	<u>November 1</u>	<u>May 1</u>	<u>November 1</u>	<u>Requirements</u>
2007	\$ 2,892	\$ 2,892	\$ 10,000	\$ 15,784
2008	2,670	2,670	10,000	15,340
2009	2,448	2,448	11,000	15,896
2010	2,202	2,202	11,000	15,404
2011	1,958	1,958	11,000	14,916
2012	1,713	1,713	11,000	14,426
2013	1,469	1,469	11,000	13,938
2014	1,223	1,223	11,000	13,446
2015	979	979	11,000	12,958
2016	734	734	11,000	12,468
2017	490	490	11,000	11,980
2018	<u>245</u>	<u>245</u>	<u>11,000</u>	<u>11,490</u>
	<u>\$19,023</u>	<u>\$19,023</u>	<u>\$130,000</u>	<u>\$168,046</u>

- Notes: 1. The above schedule does not include paying agent fees.  
2. Interest: 4.45%  
3. Paying agent: Monroe Bank & Trust

LaSalle Sanitary Sewer System Contract Payable - \$1,530,000 bond issue dated November 1, 1989 by the County of Monroe.(LaSalle Township is obligated to pay the County of Monroe sufficient amounts to cover the principal and interest requirements to retire this bond issue):

On September 15, 1995, the County of Monroe issued \$845,000 in Sewage Disposal Refunding Bonds (LaSalle Township System No.1) with interest rates from 3.85% to 6.0% to advance refund a portion of the \$1,305,000 of outstanding Limited Tax Sewage Disposal Bonds with interest rates from 6.35% to 9.00%. The net proceeds of \$810,213 (after a discount of \$10,563, issuance costs of \$24,225) plus a Township contribution of \$240,000 were used to purchase U.S. Government Securities.

# LASALLE TOWNSHIP

## *Notes to Financial Statements* *Year Ended March 31, 2006*

### Note 7    Long-Term Debt (Concluded)

Those securities were deposited in an irrevocable trust with an escrow agent to provide for a portion of the future debt service payments on the 1989 Series bonds. As a result, \$980,000 of the 1989 bonds is considered to be defeased and the liability for those bonds has been removed from the general long-term account group.

The Township advance refunded a portion of the 1989 bonds to reduce its total debt service payments over the next 20 years by \$181,108. The Township sustained an economic loss of \$7,945 (difference between the present values of the debt service payments on the old and new debt).

LaSalle Sewage Disposal System No. 1 Refunding Bonds Contract Payable - \$845,000 bond issue dated September 15, 1995 by the County of Monroe. (LaSalle Township is obligated to pay the County of Monroe sufficient amounts to cover the principal and interest requirements to retire this bond issue):

<u>Fiscal Year</u>	<u>Interest Due</u>		<u>Principal Due May 1</u>	<u>Total Requirements</u>
	<u>May 1</u>	<u>November 1</u>		
2007	\$ 17,394	\$ 15,804	\$ 60,000	\$ 93,198
2008	15,804	14,169	60,000	89,973
2009	14,169	12,504	60,000	86,673
2010	12,504	10,950	55,000	78,454
2011	10,950	9,300	55,000	75,250
2012	9,300	7,650	55,000	71,950
2013	7,650	5,850	60,000	73,500
2014	5,850	3,900	65,000	74,750
2015	3,900	1,950	65,000	70,850
2016	<u>1,950</u>	<u>-</u>	<u>65,000</u>	<u>66,950</u>
	<u>\$99,471</u>	<u>\$82,077</u>	<u>\$600,000</u>	<u>\$781,548</u>

- Notes:    1. The above debt retirement schedule does not include paying agent fees.  
             2. Interest rates: 3.85% to 6.00%  
             3. Paying agent: Michigan National Bank, Detroit, Michigan

The annual requirements to pay principal and interest on long-term debt outstanding at March 31, 2006 are as follows:

<u>Fiscal Years</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006 - 2007	\$160,000	\$ 46,460	\$ 206,460
2007 - 2008	140,000	38,406	178,406
2008 - 2009	81,000	32,559	113,559
2009 - 2010	81,000	28,229	109,229
2010 - 2011	66,000	24,166	90,166
2011 - 2016	365,000	60,236	425,236
2017 - 2018	<u>22,000</u>	<u>1,470</u>	<u>23,470</u>
	<u>\$915,000</u>	<u>\$231,526</u>	<u>\$1,146,526</u>

## LASALLE TOWNSHIP

### *Notes to Financial Statements Year Ended March 31, 2006*

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#### Note 8    Special Assessments

In the Water Lateral Receiving Fund, the special assessments receivable of \$76,157 are balances owed on the water debt service charges. The Township has, by ordinance, provided for the collection of debt service charges for each water tap-in. These moneys are available for operation and maintenance, expansion, and replacement of the laterals, and for debt service.

In the following funds, the special assessment receivable are balances owed on special assessments levied to help pay for principal and interest on bonds as stated in Note 7.

<u>Fund</u>	<u>Special Assessment Receivable March 31, 2006</u>
Lakeshore Area Sewer Fund	\$135,108
Water District 1991-A	1,437
Water District 1991-B	1,711
Water District 1995-13B	8,098
Water District 1995-16A & 17A	25,818
Water District 1997-21A	17,391
Water District 2002-27A	<u>101,820</u>
	<u>\$291,383</u>

#### Note 9    Michigan Unemployment

On May 16, 1974, Governor Milliken signed into law enrolled Senate Bill 741, which is known as Act No. 104 of the Public Acts of 1974. The provisions of this Act subject political subdivisions to the Michigan Employment Security Act effective January 1, 1975. LaSalle Township has elected to make reimbursement payments rather than to pay contributions as a contributing employer.

#### Note 10    Property Tax

Property taxes, which are based on property owned as of December 31, 2004 were billed on December 1, 2005 and were payable February 14, 2006. Summer taxes are billed July 1 and are due September 14. The Township collects its own property tax and also collects taxes for the State of Michigan, County of Monroe, Monroe Public Schools, Mason Consolidated Schools, Ida Public Schools, Monroe County Community College, and the Monroe County Intermediate School District.

The Township levied 0.7587 mills for general operating and 0.7500 mills for the fire department for the 2005-2006 fiscal year. The total taxable value for the year was \$162,399,236 which is based on a percentage of the fair market value of the assessed property.

#### Note 11    Employee's Pension Plan

The Township adopted a defined contribution pension plan which was effective May 1, 1992. The plan provides pension benefits for all Township employees who are employed for more than ten hours a week on a regular basis. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate on the first policy anniversary date on which they have completed at least one year of continuous employment with the Township and their age (nearest birthday) is at least eighteen years and not more than eighty-five years. The plan requires that the Township contribute 10% of a covered employee's annual compensation to the plan and that each covered employee shall also contribute at least 5% of their annual compensation. Contributions to the plan are vested immediately.

## LASALLE TOWNSHIP

### *Notes to Financial Statements Year Ended March 31, 2006*

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Note 11 Employee's Pension Plan (Concluded)

The Township's covered payroll for the fiscal year ending March 31, 2006 was \$193,951, with a total payroll of \$202,093. A total of \$31,315 was contributed to the plan of which \$9,953 (5.1% of covered payroll) was withheld from the employees, \$19,385 (10% of covered payroll) was paid by the Township, and \$1,977 was paid by the Township for administrative expenses.

Note 12 Building Department

The Township tracks building permit fees and their related costs in the General Fund. Fees for the fiscal year ending March 31, 2006, of \$41,251 did not exceed the related costs and administrative overhead.

Note 13 Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors, omissions and employee injuries (workman's compensation). The Township has purchased commercial insurance for property loss, torts, errors, omissions and employee injuries.

Note 14 Joint Venture

The South County Water System is a joint venture with the County of Monroe and four municipalities: LaSalle Township, Bedford Township, Erie Township, and the City of Luna Pier. However, the municipalities do not have an equity interest in this joint venture. LaSalle Township and the other three municipalities entered into a contract with the County of Monroe whereby each municipality has pledged their full faith and credit to provide debt service payments on the \$1,400,000 bond issue dated July 1, 1995. The bond proceeds were used for renovations and improvements to the South County Water System. LaSalle Township and the other three municipalities entered into another contract with the County of Monroe whereby each municipality has pledged their full faith and credit to provide debt service payments on the \$4,400,000 bond issue dated October 1, 2005. The bond proceeds were used to acquire and construct improvements to the South County Water System, and \$280,000 of the bond issue was used to redeem the balance of the 1995 bond issue dated July 1, 1995. Each municipality is obligated for their share of the obligation based on the assessed property valuations which are computed annually. Currently, the South County Water System provides the debt retirement requirements on the \$4,400,000 bond issue which are paid from the system's revenues.

As of March 31, 2006, LaSalle Township's obligation for this bond issue is 13.7232%. The following is the financial information of the joint venture, obtained from the Monroe County Drain Commissioner, County Agency financial report as of December 31, 2005:

Total assets	\$31,027,784
Total liabilities	5,309,609
Total net assets	25,718,175
Total revenues	4,652,354
Total expenses	3,139,623
Total increase in system equity	1,512,731
Current portion of long-term debt	100,000
Long-term debt (net of discounts)	4,257,550

# LASALLE TOWNSHIP

## General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Year Ended March 31, 2006

	Budgeted Amounts			Positive (Negative) Budget
	Original	Final	Actual	
<b>Revenues</b>				
Taxes and special assessments	\$120,530	\$120,530	\$124,162	\$3,632
Licenses and Permits:				
Business licenses and permits	46,000	46,000	41,251	(4,749)
Non-business licenses and permits	24,000	24,000	24,223	223
	70,000	70,000	65,474	(4,526)
State grants	345,000	345,000	346,300	1,300
Charges for Services:				
Cemetery sales	10,000	10,000	10,275	275
Rentals	4,200	4,200	5,330	1,130
	14,200	14,200	15,605	1,405
Interest	2,750	2,750	10,590	7,840
Other revenue	16,300	19,480	24,870	5,390
Total Revenues	568,780	571,960	587,001	15,041
<b>Expenditures</b>				
Legislative:				
Township board	28,800	25,400	25,836	(436)
General Government:				
Supervisor	31,000	30,500	29,932	568
Assessor	30,000	25,475	26,066	(591)
Elections	4,000	4,000	3,139	861
Audit	12,600	18,000	15,300	2,700
Attorney	10,000	9,215	7,105	2,110
Clerk	48,300	51,135	51,727	(592)
Board of review	1,000	1,800	1,760	40
Treasurer	54,300	54,550	54,467	83
Buildings and grounds	47,300	43,305	33,678	9,627
Cemetery	18,000	19,725	16,787	2,938
	256,500	257,705	239,961	17,744

# LASALLE TOWNSHIP

## General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Year Ended March 31, 2006

	Budgeted Amounts			Positive (Negative) Budget
	Original	Final	Actual	
<b>Expenditures (Concluded)</b>				
Public Safety:				
Fire department	\$62,400	\$60,400	\$51,880	\$8,520
Building inspection	52,700	55,700	48,021	7,679
Planning commission	8,000	9,700	7,567	2,133
Zoning board	2,000	1,975	1,295	680
	<u>125,100</u>	<u>127,775</u>	<u>108,763</u>	<u>19,012</u>
Public Works:				
Drains	2,000	22,450	21,640	810
Highways and streets	55,180	55,180	45,628	9,552
Water department	1,000	1,000	700	300
Weed enforcement	500	675	675	0
	<u>58,680</u>	<u>79,305</u>	<u>68,643</u>	<u>10,662</u>
Recreation and Culture:				
Parks and recreation	2,000	1,825	1,738	87
Other:				
Pension	22,500	22,500	21,362	1,138
Insurance	38,000	38,000	22,739	15,261
Social security/Medicare	17,000	17,000	15,254	1,746
Employee health insurance supplement	12,600	12,600	12,300	300
Miscellaneous	2,400	5,600	7,951	(2,351)
	<u>92,500</u>	<u>95,700</u>	<u>79,606</u>	<u>16,094</u>
Total Expenditures	<u>563,580</u>	<u>587,710</u>	<u>524,547</u>	<u>63,163</u>
Excess (Deficiency) of Revenues Over Expenditures	5,200	(15,750)	62,454	78,204
<b>Other Financing Sources (Uses)</b>				
Operating transfers out	<u>(5,200)</u>	<u>(4,700)</u>	<u>(5,287)</u>	<u>(587)</u>
<b>Net Change in Fund Balance</b>	0	(20,450)	57,167	77,617
Fund Balance - Beginning of year	<u>177,747</u>	<u>177,747</u>	<u>391,838</u>	<u>214,091</u>
Fund Balance - End of year	<u>\$177,747</u>	<u>\$157,297</u>	<u>\$449,005</u>	<u>\$291,708</u>

# LASALLE TOWNSHIP

*Water Lateral Receiving Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balance*  
*Budget and Actual*  
*Year Ended March 31, 2006*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Special assessments	\$22,000	\$22,000	\$29,416	\$7,416
Interest	1,400	1,400	9,028	7,628
Other	0	0	700	700
Total Revenues	23,400	23,400	39,144	15,744
<b>Expenditures</b>				
Public works:				
Water main	60,000	60,000	0	60,000
Excess (Deficiency) of Revenues Over Expenditures	(36,600)	(36,600)	39,144	75,744
<b>Other Financing Sources (Uses)</b>				
Operating transfers out	0	0	(14,000)	(14,000)
<b>Net Change in Fund Balance</b>	<b>(36,600)</b>	<b>(36,600)</b>	<b>25,144</b>	<b>61,744</b>
Fund Balance - Beginning of year	212,081	212,081	216,790	4,709
Fund Balance - End of year	<b>\$175,481</b>	<b>\$175,481</b>	<b>\$241,934</b>	<b>\$66,453</b>

# LASALLE TOWNSHIP

## Special Voted Fire Department Fund Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Year Ended March 31, 2006

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Taxes	\$0	\$0	\$121,785	\$121,785
Federal grants	20,000	20,000	43,225	23,225
Interest	1,000	1,000	6,136	5,136
Total Revenues	21,000	21,000	171,146	150,146
<b>Expenditures</b>				
Public safety:				
Fire department	0	35,746	42,299	(6,553)
<b>Net Change in Fund Balance</b>	21,000	(14,746)	128,847	143,593
Fund Balance - Beginning of year	255,064	255,064	256,790	1,726
Fund Balance - End of year	<u>\$276,064</u>	<u>\$240,318</u>	<u>\$385,637</u>	<u>\$145,319</u>



**LASALLE TOWNSHIP**

*South County Water Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balance*  
*Budget and Actual*  
*Year Ended March 31, 2006*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Interest	\$3,500	\$3,500	\$12,303	\$8,803
Other:				
Water usage charges	16,906	16,906	0	(16,906)
Total Revenues	20,406	20,406	12,303	(8,103)
<b>Expenditures</b>				
Debt service:				
Principal	10,133	10,133	0	10,133
Interest and fiscal charges	6,773	6,773	0	6,773
Total Expenditures	16,906	16,906	0	16,906
<b>Net Change in Fund Balance</b>	3,500	3,500	12,303	8,803
Fund Balance - Beginning of year	345,076	345,076	345,379	303
Fund Balance - End of year	<u>\$348,576</u>	<u>\$348,576</u>	<u>\$357,682</u>	<u>\$9,106</u>

**LASALLE TOWNSHIP**

*Lakeshore Area Sewer Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balance*  
*Budget and Actual*  
*Year Ended March 31, 2006*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Special assessments	\$28,200	\$28,200	\$27,135	(\$1,065)
Interest and penalties	3,500	3,500	21,242	17,742
Debt service charge	<u>44,280</u>	<u>44,280</u>	<u>44,440</u>	<u>160</u>
Total Revenues	75,980	75,980	92,817	16,837
<b>Expenditures</b>				
Debt service:				
Principal	50,000	50,000	50,000	0
Interest and fiscal charges	<u>36,075</u>	<u>36,075</u>	<u>36,756</u>	<u>(681)</u>
Total Expenditures	<u>86,075</u>	<u>86,075</u>	<u>86,756</u>	<u>(681)</u>
<b>Net Change in Fund Balance</b>	(10,095)	(10,095)	6,061	16,156
Fund Balance - Beginning of year	<u>338,590</u>	<u>338,590</u>	<u>344,969</u>	<u>6,379</u>
Fund Balance - End of year	<u>\$328,495</u>	<u>\$328,495</u>	<u>\$351,030</u>	<u>\$22,535</u>

# LASALLE TOWNSHIP

## Water District 2002-27A Debt Fund Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Year Ended March 31, 2006

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Special assessments	\$10,000	\$10,000	\$14,500	\$4,500
Interest	4,500	4,500	8,187	3,687
Total Revenues	14,500	14,500	22,687	8,187
<b>Expenditures</b>				
Debt service:				
Principal	10,000	10,000	10,000	0
Interest and fiscal charges	6,230	6,230	6,455	(225)
Total Expenditures	16,230	16,230	16,455	(225)
Excess (Deficiency) of Revenues Over Expenditures	(1,730)	(1,730)	6,232	7,962
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	0	0	1,965	1,965
<b>Net Change in Fund Balance</b>	(1,730)	(1,730)	8,197	9,927
Fund Balance - Beginning of year	72,865	72,865	74,614	1,749
Fund Balance - End of year	<u>\$71,135</u>	<u>\$71,135</u>	<u>\$82,811</u>	<u>\$11,676</u>

**LASALLE TOWNSHIP**

*Nonmajor Governmental Funds  
Combining Balance Sheet  
March 31, 2006*

March 31, 2000

	Special Revenue Funds							
	Liquor Law Enforcement	Lighting	Foster Lane	Belleterre District No. 1	Allenhurst Road	Lakeshore Area Sewer Receiving	North Shores Drain O & M	North Shores Snow
<b>Assets</b>								
Cash and cash equivalents	\$0	\$0	\$1,282	\$18,383	\$0	\$42,032	\$4,007	\$612
Cash with fiscal agent	0	0	0	0	0	33,396	0	0
Receivables:								
Accounts	0	0	0	0	0	19,874	0	0
Special assessments	0	0	0	0	0	0	0	0
Delinquent taxes	0	2,401	250	150	0	3,366	0	1,625
Due from other governments	0	9,171	1,951	2,700	0	9,705	0	3,050
Total Assets	<u>\$0</u>	<u>\$11,572</u>	<u>\$3,483</u>	<u>\$21,233</u>	<u>\$0</u>	<u>\$108,373</u>	<u>\$4,007</u>	<u>\$5,287</u>
<b>Total Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Due to other funds	\$0	\$11,572	\$0	\$0	\$0	\$30,468	\$0	\$0
Deferred revenue	0	0	0	0	0	7,234	0	0
Total Liabilities	0	11,572	0	0	0	37,702	0	0
<b>Fund Balances</b>								
Reserved for debt service	0	0	0	0	0	0	0	0
Unreserved	0	0	3,483	21,233	0	70,671	4,007	5,287
Total Fund Balances	0	0	3,483	21,233	0	70,671	4,007	5,287
Total Liabilities and Fund Balances	<u>\$0</u>	<u>\$11,572</u>	<u>\$3,483</u>	<u>\$21,233</u>	<u>\$0</u>	<u>\$108,373</u>	<u>\$4,007</u>	<u>\$5,287</u>

Debt Service Funds					Capital Projects Funds		Total Nonmajor Governmental Funds
Water District 1991-A	Water District 1991-B	Water District 1995-13B	Water District 1995-16A & 17A	Water District 1997-21A	Building and Improvement	Water District 2002-27A	
\$9,513	\$5,241	\$49,181	\$100,458	\$31,572	\$21,205	\$0	\$283,486
20,900	5,543	0	0	0	0	0	59,839
0	0	0	0	0	0	0	19,874
1,437	1,711	8,098	25,818	17,391	0	0	54,455
1,283	0	0	4,276	0	0	0	13,351
597	543	565	3,850	1,566	0	0	33,698
<u>\$33,730</u>	<u>\$13,038</u>	<u>\$57,844</u>	<u>\$134,402</u>	<u>\$50,529</u>	<u>\$21,205</u>	<u>\$0</u>	<u>\$464,703</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$42,040
0	380	7,120	4,874	13,043	0	0	32,651
0	380	7,120	4,874	13,043	0	0	74,691
33,730	12,658	50,724	129,528	37,486	0	0	264,126
0	0	0	0	0	21,205	0	125,886
33,730	12,658	50,724	129,528	37,486	21,205	0	390,012
<u>\$33,730</u>	<u>\$13,038</u>	<u>\$57,844</u>	<u>\$134,402</u>	<u>\$50,529</u>	<u>\$21,205</u>	<u>\$0</u>	<u>\$464,703</u>

**LASALLE TOWNSHIP**

*Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended March 31, 2006*

	Special Revenue Funds							
	Liquor Law Enforcement	Lighting	Foster Lane	Belleterre District No. 1	Allenhurst Road	Lakeshore Area Sewer Receiving	North Shores Drain O & M	North Shores Snow
<b>Revenues</b>								
Special assessments	\$0	\$11,572	\$2,200	\$2,850	\$0	\$0	\$0	\$4,675
State grants	2,606	0	0	0	0	0	0	0
Charges for services	0	0	0	0	0	86,658	0	0
Interest	0	0	19	158	1	2,184	35	13
Total Revenues	2,606	11,572	2,219	3,008	1	88,842	35	4,688
<b>Expenditures</b>								
Public safety	2,606	16,859	0	0	0	0	0	0
Public works	0	0	2,038	155	124	76,610	0	1,175
Debt service	0	0	0	0	0	0	0	0
Capital projects	0	0	0	0	0	0	0	0
Total Expenditures	2,606	16,859	2,038	155	124	76,610	0	1,175
Excess (Deficiency) of Revenues Over Expenditures	0	(5,287)	181	2,853	(123)	12,232	35	3,513
<b>Other Financing Sources (Uses)</b>								
Operating transfers in	0	5,287	0	0	0	0	0	0
Operating transfers out	0	0	0	0	0	0	0	0
Total Other Financing Sources (Uses)	0	5,287	0	0	0	0	0	0
<b>Net Change in Fund Balances</b>	0	0	181	2,853	(123)	12,232	35	3,513
Fund Balances - Beginning of year	0	0	3,302	18,380	123	58,439	3,972	1,774
Fund Balances - End of year	\$0	\$0	\$3,483	\$21,233	\$0	\$70,671	\$4,007	\$5,287

Debt Service Funds					Capital Project Funds		Total Nonmajor Governmental Funds
Water District 1991-A	Water District 1991-B	Water District 1995-13B	Water District 1995-16A & 17A	Water District 1997-21A	Building and Improvement	Water District 2002-27A	
\$8,958	\$1,332	\$953	\$22,277	\$4,348	\$0	\$0	\$59,165
0	0	0	0	0	0	0	2,606
0	0	0	0	0	0	0	86,658
851	309	861	5,662	1,829	458	0	12,380
9,809	1,641	1,814	27,939	6,177	458	0	160,809
0	0	0	0	0	0	0	19,465
0	0	0	0	0	0	0	80,102
22,500	6,253	0	56,862	13,220	0	0	98,835
0	0	0	0	0	7,425	0	7,425
22,500	6,253	0	56,862	13,220	7,425	0	205,827
(12,691)	(4,612)	1,814	(28,923)	(7,043)	(6,967)	0	(45,018)
0	14,000	0	0	0	0	0	19,287
0	0	0	0	0	0	(1,965)	(1,965)
0	14,000	0	0	0	0	(1,965)	17,322
(12,691)	9,388	1,814	(28,923)	(7,043)	(6,967)	(1,965)	(27,696)
46,421	3,270	48,910	158,451	44,529	28,172	1,965	417,708
\$33,730	\$12,658	\$50,724	\$129,528	\$37,486	\$21,205	\$0	\$390,012

**LASALLE TOWNSHIP**

*Liquor Law Enforcement Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Budget and Actual*  
*Year Ended March 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
State grants	\$2,582	\$2,582	\$2,606	\$24
Interest	8	8	0	(8)
Total Revenues	2,590	2,590	2,606	16
<b>Expenditures</b>				
Public safety	2,590	2,590	2,606	(16)
<b>Net Change in Fund Balance</b>	0	0	0	0
Fund Balance - Beginning of year	0	0	0	0
Fund Balance - End of year	\$0	\$0	\$0	\$0



**LASALLE TOWNSHIP**

*Lighting Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Budget and Actual*  
*Year Ended March 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Special assessments	\$11,582	\$11,582	\$11,572	(\$10)
<b>Expenditures</b>				
Public safety	16,782	16,782	16,859	(77)
Excess (Deficiency) of Revenues Over Expenditures	(5,200)	(5,200)	(5,287)	(87)
<b>Other Financing Sources</b>				
Operating transfer in	5,200	5,200	5,287	87
<b>Net Change in Fund Balance</b>	0	0	0	0
Fund Balance - Beginning of year	0	0	0	0
Fund Balance - End of year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**LASALLE TOWNSHIP**

*Foster Lane Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Budget and Actual*  
*Year Ended March 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Special assessments	\$0	\$0	\$2,200	\$2,200
Interest	20	20	19	(1)
Total Revenues	20	20	2,219	2,199
<b>Expenditures</b>				
Public works	2,400	2,400	2,038	362
<b>Net Change in Fund Balance</b>	(2,380)	(2,380)	181	2,561
Fund Balance - Beginning of year	3,341	3,341	3,302	(39)
Fund Balance - End of year	<u>\$961</u>	<u>\$961</u>	<u>\$3,483</u>	<u>\$2,522</u>

# LASALLE TOWNSHIP

*Belleterre District No. 1 Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Budget and Actual*  
*Year Ended March 31, 2006*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Special assessments	\$2,550	\$2,550	\$2,850	\$300
Interest	75	75	158	83
Total Revenues	2,625	2,625	3,008	383
<b>Expenditures</b>				
Public works:				
Road maintenance	600	600	155	445
<b>Net Change in Fund Balance</b>	2,025	2,025	2,853	828
Fund Balance - Beginning of year	18,381	18,381	18,380	(1)
Fund Balance - End of year	\$20,406	\$20,406	\$21,233	\$827

**LASALLE TOWNSHIP**

*Allenhurst Road Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Budget and Actual*  
*Year Ended March 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest	\$0	\$0	\$1	\$1
<b>Expenditures</b>				
Public works:				
Road maintenance	123	123	124	(1)
<b>Net Change in Fund Balance</b>	(123)	(123)	(123)	0
Fund Balance - Beginning of year	123	123	123	0
Fund Balance - End of year	\$0	\$0	\$0	\$0

**LASALLE TOWNSHIP**

*Lakeshore Area Sewer Receiving Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Year Ended March 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Charges for services	\$86,346	\$86,346	\$86,658	\$312
Interest and penalties	1,170	1,170	2,184	1,014
Total Revenues	87,516	87,516	88,842	1,326
<b>Expenditures</b>				
Public works:				
Operation and maintenance	34,702	34,702	25,481	9,221
Luna Pier charges	51,522	51,522	51,129	393
Total Expenditures	86,224	86,224	76,610	9,614
<b>Net Change in Fund Balance</b>	1,292	1,292	12,232	10,940
Fund Balance - Beginning of year	33,899	33,899	58,439	24,540
Fund Balance - End of year	<u>\$35,191</u>	<u>\$35,191</u>	<u>\$70,671</u>	<u>\$35,480</u>

# LASALLE TOWNSHIP

*North Shores Drain O & M Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Budget and Actual*  
*Year Ended March 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest	\$11	\$11	\$35	\$24
<b>Expenditures</b>				
Public works:				
Drains	0	0	0	0
<b>Net Change in Fund Balance</b>	11	11	35	24
Fund Balance - Beginning of year	3,968	3,968	3,972	4
Fund Balance - End of year	<u>\$3,979</u>	<u>\$3,979</u>	<u>\$4,007</u>	<u>\$28</u>

# LASALLE TOWNSHIP

*North Shores Snow Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Budget and Actual*  
*Year Ended March 31, 2006*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Special assessments	\$0	\$0	\$4,675	\$4,675
Interest	24	24	13	(11)
Total Revenues	24	24	4,688	4,664
<b>Expenditures</b>				
Public works:				
Snow removal	1,798	1,798	1,175	623
<b>Net Change in Fund Balance</b>	(1,774)	(1,774)	3,513	5,287
Fund Balance - Beginning of year	1,774	1,774	1,774	0
Fund Balance - End of year	\$0	\$0	\$5,287	\$5,287

**LASALLE TOWNSHIP**

*Water District 1991-A Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Budget and Actual*  
*Year Ended March 31, 2006*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Special assessments	\$5,720	\$5,720	\$8,958	\$3,238
Interest	600	600	851	251
Total Revenues	6,320	6,320	9,809	3,489
<b>Expenditures</b>				
Debt service:				
Principal	20,000	20,000	20,000	0
Interest and fiscal charges	2,100	2,100	2,500	(400)
Total Expenditures	22,100	22,100	22,500	(400)
<b>Net Change in Fund Balance</b>	(15,780)	(15,780)	(12,691)	3,089
Fund Balance - Beginning of year	47,000	47,000	46,421	(579)
Fund Balance - End of year	\$31,220	\$31,220	\$33,730	\$2,510



# LASALLE TOWNSHIP

## *Water District 1991-B Fund* *Statement of Revenues, Expenditures, and Changes in Fund Balances* *Budget and Actual* *Year Ended March 31, 2006*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Special assessments	\$3,400	\$3,400	\$1,332	(\$2,068)
Interest	500	500	309	(191)
Total Revenues	3,900	3,900	1,641	(2,259)
<b>Expenditures</b>				
Debt service:				
Principal	5,000	5,000	5,000	0
Interest and fiscal charges	853	853	1,253	(400)
Total Expenditures	5,853	5,853	6,253	(400)
Excess (Deficiency) of Revenues Over Expenditures	(1,953)	(1,953)	(4,612)	(2,659)
<b>Other Financing Sources</b>				
Operating transfer in	0	0	14,000	14,000
<b>Net Change in Fund Balance</b>	(1,953)	(1,953)	9,388	11,341
Fund Balance - Beginning of year	5,559	5,559	3,270	(2,289)
Fund Balance - End of year	\$3,606	\$3,606	\$12,658	\$9,052

# LASALLE TOWNSHIP

*Water District 1995-13B Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Budget and Actual*  
*Year Ended March 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Special assessments	\$0	\$0	\$953	\$953
Interest	0	0	861	861
Total Revenues	0	0	1,814	1,814
<b>Expenditures</b>				
Debt service:				
Principal	0	0	0	0
Interest and fiscal charges	0	0	0	0
Total Expenditures	0	0	0	0
<b>Net Change in Fund Balance</b>	0	0	1,814	1,814
Fund Balance - Beginning of year	57,429	57,429	48,910	(8,519)
Fund Balance - End of year	\$57,429	\$57,429	\$50,724	(\$6,705)

# LASALLE TOWNSHIP

## Water District 1995-16A & 17A Fund Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual Year Ended March 31, 2006

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Special assessments	\$26,900	\$26,900	\$22,277	(\$4,623)
Interest	4,200	4,200	5,662	1,462
Total Revenues	31,100	31,100	27,939	(3,161)
<b>Expenditures</b>				
Debt service:				
Principal	50,000	50,000	50,000	0
Interest and fiscal charges	6,462	6,462	6,862	(400)
Total Expenditures	56,462	56,462	56,862	(400)
<b>Net Change in Fund Balance</b>	(25,362)	(25,362)	(28,923)	(3,561)
Fund Balance - Beginning of year	157,109	157,109	158,451	1,342
Fund Balance - End of year	\$131,747	\$131,747	\$129,528	(\$2,219)

# LASALLE TOWNSHIP

*Water District 1997-21A Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Budget and Actual*  
*Year Ended March 31, 2006*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Special assessments	\$5,400	\$5,400	\$4,348	(\$1,052)
Interest	2,000	2,000	1,829	(171)
Total Revenues	7,400	7,400	6,177	(1,223)
<b>Expenditures</b>				
Debt service:				
Principal	10,000	10,000	10,000	0
Interest and fiscal charges	2,970	2,970	3,220	(250)
Total Expenditures	12,970	12,970	13,220	(250)
<b>Net Change in Fund Balance</b>	(5,570)	(5,570)	(7,043)	(1,473)
Fund Balance - Beginning of year	47,857	47,857	44,529	(3,328)
Fund Balance - End of year	<u>\$42,287</u>	<u>\$42,287</u>	<u>\$37,486</u>	<u>(\$4,801)</u>

# LASALLE TOWNSHIP

*Building and Improvement Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Budget and Actual*  
*Year Ended March 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest	\$200	\$200	\$458	\$258
<b>Expenditures</b>	0	10,000	7,425	2,575
<b>Net Change in Fund Balance</b>	200	(9,800)	(6,967)	2,833
Fund Balance - Beginning of year	28,173	28,173	28,172	(1)
Fund Balance - End of year	\$28,373	\$18,373	\$21,205	\$2,832

**LASALLE TOWNSHIP**

*Water District 2002-27A Capital Project Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance*

*Year Ended March 31, 2006*

	<u>Actual</u>
<b>Revenues</b>	<b>\$0</b>
<b>Expenditures</b>	
Capital projects	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0
<b>Other Financing Sources (Uses)</b>	
Operating transfers out	<u>(1,965)</u>
<b>Net Change in Fund Balance</b>	<b>(1,965)</b>
Fund Balance - Beginning of year	<u>1,965</u>
Fund Balance - End of year	<u><b>\$0</b></u>

**LASALLE TOWNSHIP**

*Agency Funds*  
*Statement of Changes in Assets and Liabilities*  
*March 31, 2006*

	<u>Tax Collection</u>	<u>Water Tap Fee</u>	<u>Water Bill</u>	<u>Totals</u>
<b>Assets</b>				
Cash	<u>\$276,699</u>	<u>\$9,140</u>	<u>\$23</u>	<u>\$285,862</u>
<b>Liabilities</b>				
Due to other funds	\$274,430	\$0	\$0	\$274,430
Due to other governments	0	9,140	23	9,163
Due to others	<u>2,269</u>	<u>0</u>	<u>0</u>	<u>2,269</u>
Total Liabilities	<u>\$276,699</u>	<u>\$9,140</u>	<u>\$23</u>	<u>\$285,862</u>

# LASALLE TOWNSHIP

## Agency Funds Statement of Changes in Assets and Liabilities March 31, 2006

	Balance March 31, 2005	Additions	Deductions	Balance March 31, 2006
<b>Tax Collection Fund</b>				
<b>Assets</b>				
Cash	\$246,850	\$4,066,999	\$4,037,150	\$276,699
<b>Liabilities</b>				
Due to other funds	\$243,999	\$320,203	\$289,772	\$274,430
Due to other governments	0	3,663,887	3,663,887	0
Due to others	2,851	82,909	83,491	2,269
Total Liabilities	\$246,850	\$4,066,999	\$4,037,150	\$276,699
<b>Water Tap Fee Fund</b>				
<b>Assets</b>				
Cash	\$13,165	\$9,270	\$13,295	\$9,140
<b>Liabilities</b>				
Due to other governments	\$13,165	\$9,270	\$13,295	\$9,140
<b>Water Bill Fund</b>				
<b>Assets</b>				
Cash	\$23	\$64,759	\$64,759	\$23
<b>Liabilities</b>				
Due to other governments	\$23	\$64,759	\$64,759	\$23
<b>TOTALS - ALL AGENCY FUNDS</b>				
<b>Assets</b>				
Cash	\$260,038	\$4,141,028	\$4,115,204	\$285,862
<b>Liabilities</b>				
Due to other funds	\$243,999	\$320,203	\$289,772	\$274,430
Due to other governments	13,188	3,737,916	3,741,941	9,163
Due to others	2,851	82,909	83,491	2,269
Total Liabilities	\$260,038	\$4,141,028	\$4,115,204	\$285,862





COOLEY HEHL  
WOHLGAMUTH & CARLTON  
P. L. L. C. Certified Public Accountants

James R. Cooley, CPA  
David K. Hehl, CPA  
Robert W. Wohlgamuth, CPA  
Peter H. Carlton, CPA  
Matthew D. Hehl, CPA  
Deborah A. Sabo, CPA

One South Monroe Street • Monroe, Michigan 48161-2281  
Telephone: (734) 241-7200 • Fax: (734) 241-2637  
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Report of Comments and Recommendations

Board Members:

During our recent audit of the financial statements of LaSalle Township, as of March 31, 2006, we noted some areas which we felt warranted comment. As part of our engagement and in service to the Township we feel that we should make comments and recommendations which the Board may consider. We remind you that our review was in the course of our audit engagement and was not a detailed systems analysis.

Budgets

The Township adopts a budget for each fund at the beginning of the fiscal year. Throughout the fiscal year, the budget needs to be amended to allow for expenditures that are higher than originally anticipated and for unexpected expenditures.

Lakeshore Area Sewer Receiving Fund

This fund still has a debt to another fund of \$30,468. User charges in this fund need to continue to be reviewed to assure that the current expenses are met and sufficient cash is generated to pay back monies that were borrowed.

If you have any questions regarding the audit report or this letter, please contact us. We are available to meet with you at your convenience. It has been a pleasure to be of service to you and we appreciate the cooperation which we received during the audit.

Very truly yours,

*Cooley Hehl Wohlgamuth & Carlton*

June 6, 2006